

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4796-01
Bill No.: SB 914
Subject: Drugs and Controlled Substances; Licenses - Misc.; Pharmacy\
Type: Original
Date: March 10, 2010

Bill Summary: Exempts wholesale drug distributors who meet certain conditions from having to obtain a license from the board of pharmacy for out-of-state distribution sites.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Parmacy	\$0	(\$11,250)	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(\$11,250)	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** state the Board of Pharmacy estimates that approximately 25 of the 1,168 wholesale drug distributors in this state are out-of-state wholesale drug distributors who will not have to renew their license as they only deal with medical devices and not drug distribution. Wholesale drug distributors renew in October of every odd numbered year. The DIFP estimates an \$11,250 reduction in wholesale drug distributor renewal fees biennially, beginning in FY 12 (\$450 renewal fee X 25 drug distributors).

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
PHARMACY FUND			
<u>Loss - DIFP</u>			
Reduction in renewal fees	<u>\$0</u>	<u>(\$11,250)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PHARMACY FUND	<u>\$0</u>	<u>(\$11,250)</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

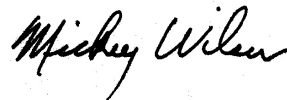
FISCAL DESCRIPTION

If wholesale drug distributors who distribute drug-related devices in Missouri meet certain conditions, this proposal exempts them from having to obtain a license from the board of pharmacy for out-of-state distribution sites. A Missouri wholesale drug distributor who receives shipments from these out-of-state sites is responsible for all shipments received.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions, and Professional Registration
Department of Health and Senior Services
Office of Secretary of State



Mickey Wilson, CPA
Director
March 10, 2010